

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Consumer Legal Funding Act.

6 Section 5. Definitions.

7 "Advertise" means publishing or disseminating any written,
8 electronic, or printed communication, or any communication by
9 means of recorded telephone messages or transmitted on radio,
10 television, the Internet, or similar communications media,
11 including film strips, motion pictures, and videos, published,
12 disseminated, circulated, or placed before the public,
13 directly or indirectly, for the purpose of inducing a consumer
14 to enter into a consumer legal funding.

15 "Charges" means the fees, as set forth in Section 25, to be
16 paid to the consumer legal funding company by or on behalf of
17 the consumer above the funded amount provided by or on behalf
18 of the company to an Illinois consumer pursuant to this Act.

19 "Consumer" means a natural person who has a pending legal
20 claim and who resides or is domiciled in Illinois.

21 "Consumer legal funding" or "funding" means a nonrecourse
22 transaction in which a company purchases and a consumer
23 transfers to the company an unvested, contingent future

1 interest in the potential net proceeds of a settlement or
2 judgment obtained from the consumer's legal claim; if no
3 proceeds are obtained from the consumer's legal claim, the
4 consumer is not required to repay the company the consumer
5 legal funding amount or charges.

6 "Consumer legal funding company" or "company" means a
7 person or entity that enters into, purchases, or services a
8 consumer legal funding transaction with an Illinois consumer.

9 "Consumer legal funding company" does not include:

- 10 (1) an immediate family member of the consumer;
- 11 (2) a bank, lender, financing entity, or other special
12 purpose entity:
- 13 (A) that provides financing to a consumer legal
14 funding company; or
- 15 (B) to which a consumer legal funding company
16 grants a security interest or transfers any rights or
17 interest in a consumer legal funding; or
- 18 (3) an attorney or accountant who provides services to
19 a consumer.

20 "Department" means the Department of Financial and
21 Professional Regulation.

22 "Funded amount" means the amount of moneys provided to, or
23 on behalf of, the consumer in the consumer legal funding.

24 "Funded amount" does not include charges except for charges
25 that are deducted from the funded amount.

26 "Funding date" means the date on which the funded amount

1 is transferred to the consumer by the consumer legal funding
2 company either by personal delivery; via wire, ACH, or other
3 electronic means; or mailed by insured, certified, or
4 registered United States mail.

5 "Immediate family member" means a parent; sibling; child
6 by blood, adoption, or marriage; spouse; grandparent; or
7 grandchild.

8 "Legal claim" means a bona fide civil claim or cause of
9 action.

10 "Resolution amount" means the funded amount plus the
11 agreed-upon charges that are delivered to the consumer legal
12 funding company on the resolution date.

13 "Resolution date" means the date the resolution amount is
14 delivered to the consumer legal funding company.

15 "Secretary" means the Secretary of Financial and
16 Professional Regulation or the Secretary's designee.

17 Section 10. Contract requirements; right of rescission.

18 (a) All consumer legal fundings shall meet the following
19 requirements:

20 (1) the contract shall be completely filled in when
21 presented to the consumer for signature with all blanks
22 marked "not applicable", "n/a", or "none";

23 (2) the contract shall contain, in bold and boxed
24 type, a right of rescission, allowing the consumer to
25 cancel the contract without penalty or further obligation

1 if, within 14 business days after the funding date, the
2 consumer either:

3 (A) returns to the consumer legal funding company
4 the full amount of the disbursed funds by delivering
5 the company's uncashed check to the company's office
6 in person; or

7 (B) mails, by insured, certified, or registered
8 United States mail, to the address specified in the
9 contract, a notice of cancellation and includes in the
10 mailing a return of the full amount of disbursed funds
11 in the form of the company's uncashed check or a
12 registered or certified check or money order; and

13 (3) the contract shall contain the initials of the
14 consumer on each page.

15 (b) The contract shall contain a written acknowledgment by
16 the attorney retained by the consumer in the legal claim that
17 attests to the following:

18 (1) to the best of the attorney's knowledge, all the
19 costs and charges relating to the consumer legal funding
20 have been disclosed to the consumer;

21 (2) the attorney is being paid on a contingency basis
22 pursuant to a written fee agreement;

23 (3) all proceeds of the legal claim will be disbursed
24 via either the trust account of the attorney or a
25 settlement fund established to receive the proceeds of the
26 legal claim on behalf of the consumer;

1 (4) the attorney is following the written instructions
2 of the consumer with regard to the consumer legal funding;
3 and

4 (5) the attorney has not received a referral fee or
5 other consideration from the consumer legal funding
6 company in connection with the consumer legal funding, nor
7 will the attorney receive such fee or other consideration
8 in the future.

9 (c) If the acknowledgment required in subsection (b) is
10 not completed by the attorney retained by the consumer in the
11 legal claim, the contract shall be null and void. The contract
12 remains valid and enforceable if the consumer terminates
13 representation by the initial attorney who completed the
14 acknowledgment required in subsection (b) or retains a new
15 attorney with respect to the legal claim.

16 (d) No licensee shall permit an obligor to owe the
17 licensee, an agent of the licensee, or an affiliate of the
18 licensee, including a corporation owned or managed by the
19 licensee, an aggregate principal amount in excess of \$100,000,
20 unless permitted by rule, at any time for consumer legal
21 fundings transacted pursuant to this Act.

22 (e) Any transaction that does not exactly meet the
23 definition of a consumer legal funding under Section 5 is
24 subject to the Interest Act and any other applicable law.

25 Section 15. Consumer legal funding company prohibitions. A

1 consumer legal funding company shall not:

2 (1) pay or offer to pay commissions, referral fees, or
3 other forms of consideration to any attorney, law firm,
4 medical provider, chiropractic physician, or physical
5 therapist or any of their employees or agents for
6 referring a consumer to the company;

7 (2) accept any commissions, referral fees, rebates, or
8 other forms of consideration from an attorney, law firm,
9 medical provider, chiropractor, or physical therapist or
10 any of their employees or agents;

11 (3) advertise materially false or misleading
12 information regarding its products or services;

13 (4) refer, in furtherance of an initial consumer legal
14 funding, a customer or potential customer to a specific
15 attorney, law firm, medical provider, chiropractor, or
16 physical therapist or any of their employees; however, if
17 a customer needs legal representation, the company may
18 refer the customer to a local or State bar association
19 referral service or to a legal aid organization;

20 (5) fail to supply a true copy of the executed
21 contract to the attorney for the consumer upon execution
22 and if the consumer or their attorney requests a copy;

23 (6) knowingly provide funding to a consumer who has
24 previously assigned or sold a portion of the consumer's
25 right to proceeds from his or her legal claim without
26 first making payment to or purchasing a prior unsatisfied

1 consumer legal funding company's entire funded amount and
2 contracted charges, unless a lesser amount is otherwise
3 agreed to in writing by the consumer legal funding
4 companies, except that multiple companies may agree to
5 contemporaneously provide funding to a consumer if the
6 consumer and the consumer's attorney consent to the
7 arrangement in writing;

8 (7) receive any right to, nor make any decisions with
9 respect to, the conduct of the underlying legal claim or
10 any settlement or resolution of the legal claim; the right
11 to make such decisions shall remain solely with the
12 consumer and the consumer's attorney in the legal claim;
13 or

14 (8) knowingly pay or offer to pay for court costs,
15 filing fees, or attorney's fees either during or after the
16 resolution of the legal claim using funds from the
17 consumer legal funding transaction.

18 Section 20. Satisfaction of the contract. A consumer legal
19 funding company shall require the resolution amount to be set
20 as a predetermined amount, based upon intervals of time from
21 the date of origination of the funding through the date of
22 resolution of the legal claim, and not be determined as a
23 percentage of the recovery from the legal claim.

24 Section 25. Fees.

1 (a) The fee charged by a consumer legal funding company to
2 the consumer shall be calculated as not more than 18% of the
3 funded amount, assessed on the outset of every 6 months.

4 (b) In addition, a consumer legal funding company may
5 charge a document preparation fee not to exceed \$75, which may
6 be deducted from the funded amount. This fee is to be used to
7 defray the ordinary cost of opening, administering, and
8 terminating a consumer legal funding.

9 (c) A consumer legal funding company shall not collect any
10 additional fees unless otherwise specified in this Act.

11 (d) No charges may accrue on a consumer legal funding for
12 more than 42 months after the funding date of the consumer
13 legal funding. No consumer legal funding may be refinanced
14 except as authorized by rule. Notwithstanding the foregoing, a
15 consumer legal funding company may assess charges on any
16 additional amounts provided after the funding date for 42
17 months after the additional funding date.

18 Section 30. Disclosures. All consumer legal funding
19 contracts shall contain the disclosures specified in this
20 Section, which shall constitute material terms of the
21 contract. Unless otherwise specified, the disclosures shall be
22 typed in at least 12-point bold-type font and be placed
23 clearly and conspicuously within the contract as follows:

24 (1) On the front page under appropriate headings,
25 language specifying:

1 (A) the funded amount to be paid to the consumer or
2 on the consumer's behalf by the consumer legal funding
3 company;

4 (B) an itemization of charges;

5 (C) the maximum total amount to be paid by the
6 consumer to the company, including the funded amount
7 and all fees; and

8 (D) a payment schedule to include the resolution
9 amount, listing dates, and the amount due at the end of
10 each 6-month period from the funding date, until the
11 date the maximum amount is due to the company by the
12 consumer to satisfy the amount due pursuant to the
13 contract.

14 (2) Pursuant to the provisions set forth in paragraph
15 (2) of subsection (a) of Section 10, within the body of the
16 contract: "CONSUMER'S RIGHT TO CANCELLATION: You may
17 cancel this contract without penalty or further obligation
18 within 14 business days after the funding date if you
19 either:

20 (A) return to the consumer legal funding company
21 the full amount of the funds disbursed to you or on
22 your behalf by delivering the company's uncashed check
23 to the company's office in person; or

24 (B) place in the mail, by mail service materially
25 equivalent to United States Postal Service certified
26 mail, addressed to the company at the address

1 specified in the contract, a notice of cancellation
2 and include in such mailing a return of the full amount
3 of funds disbursed to you or on your behalf in the form
4 of the company's uncashed check or a registered or
5 certified check or money order."

6 (3) Within the body of the contract: "The consumer
7 legal funding company shall have no role in deciding
8 whether, when, and how much the legal claim is settled
9 for, however, the consumer and consumer's attorney must
10 notify the company of the outcome of the legal claim by
11 settlement or adjudication before the resolution date. The
12 company may seek updated information about the status of
13 the legal claim but in no event shall the company
14 interfere with the independent professional judgment of
15 the attorney in the handling of the legal claim or any
16 settlement thereof."

17 (4) Within the body of the contract, in all capital
18 letters in at least 12-point bold-type font contained
19 within a box: "THE FUNDED AMOUNT AND AGREED-UPON CHARGES
20 SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM,
21 AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE
22 AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE
23 [INSERT NAME OF THE CONSUMER LEGAL FUNDING COMPANY]
24 ANYTHING IF THERE ARE NO REMAINING PROCEEDS AVAILABLE FROM
25 YOUR LEGAL CLAIM, UNLESS YOU OR YOUR ATTORNEY HAVE
26 COMMITTED FRAUD AGAINST THE CONSUMER LEGAL FUNDING

1 COMPANY."

2 (5) Located immediately above the place on the
3 contract where the consumer's signature is required, in
4 12-point font: "Do not sign this contract before you read
5 it completely or if it contains any blank spaces. You are
6 entitled to a completely filled-in copy of the contract.
7 Before you sign this contract, you should obtain the
8 advice of an attorney. Depending on the circumstances, you
9 may want to consult a tax, public or private benefits
10 planning, or financial professional. You acknowledge that
11 your attorney in the legal claim has provided no tax,
12 public or private benefit planning, or financial advice
13 regarding this transaction."

14 (6) The consumer legal funding company shall provide
15 the consumer with information on accessing a financial
16 coaching program no later than the funding date.

17 Section 35. Violations.

18 (a) Nothing in this Act shall be construed to restrict the
19 exercise of powers or the performance of the duties of the
20 Illinois Attorney General that he or she is authorized to
21 exercise or perform by law.

22 (b) Any violation of this Act constitutes a violation of
23 the Consumer Fraud and Deceptive Business Practices Act.

24 (c) The Illinois Attorney General may enforce a violation
25 of this Act as an unlawful practice under the Consumer Fraud

1 and Deceptive Business Practices Act.

2 Section 40. Assignability; liens.

3 (a) The contingent right to receive an amount of the
4 potential proceeds of a legal claim is assignable by a
5 consumer.

6 (b) Only liens related to the legal claim, including
7 attorney's liens, Medicare, or other statutory liens, shall
8 take priority over any lien of the consumer legal funding
9 company. All other liens shall take priority by normal
10 operation of law.

11 (c) A consumer legal funding transaction does not
12 constitute an assignment of a personal injury claim or chose
13 in action.

14 (d) A consumer legal funding transaction does not
15 constitute the assignment of any present right; the
16 transaction constitutes the transfer of an unvested,
17 contingent future interest in an amount of the potential
18 proceeds of a legal claim or cause of action.

19 Section 45. Attorney prohibitions. An attorney or law firm
20 retained by the consumer in the legal claim shall not have a
21 financial interest in the consumer legal funding company
22 offering consumer legal funding to that consumer.
23 Additionally, any attorney who has referred the consumer to
24 the consumer's retained attorney shall not have a financial

1 interest in the consumer legal funding company offering
2 consumer legal funding to that consumer. A consumer legal
3 funding that violates this Section is null and void and no
4 person or entity shall have any right to collect, attempt to
5 collect, receive, or retain any funded amount or charges
6 related to the consumer legal funding.

7 Section 50. Effect of communication on privileges. No
8 communication between the consumer's attorney in the legal
9 claim and the consumer legal funding company as it pertains to
10 the consumer legal funding shall limit, waive, or abrogate the
11 scope or nature of any statutory or common law privilege,
12 including the work product doctrine and the attorney-client
13 privilege.

14 Section 55. Consumer legal funding license scope.

15 (a) It shall be unlawful for any person or entity to
16 operate as a consumer legal funding provider in this State
17 except as authorized by this Act and without first having
18 obtained a license in accordance with this Act. No person or
19 entity may engage in any device, subterfuge, or pretense to
20 evade the requirements of this Act. However, any company that
21 has a license in good standing under the Consumer Installment
22 Loan Act on the effective date of this Act shall be entitled to
23 make consumer legal fundings under the terms of this Act upon
24 the effective date of this Act if that company files an

1 application for a consumer legal funding license within 60
2 days after the Department issues forms for the filing of that
3 application and until the Department approves or denies the
4 application for a funding license. Any consumer legal funding
5 contract made by any person or entity in violation of this
6 subsection shall be null and void and the person or entity who
7 entered into the consumer legal funding transaction shall have
8 no right to collect, attempt to collect, receive, or retain
9 any principal, interest, or charges related to the consumer
10 legal funding transaction.

11 (b) The provisions of this Act do not apply to a bank,
12 savings bank, savings association, or credit union organized
13 under the laws of this State, any other state, or under the
14 laws of the United States.

15 (c) Any consumer legal funding made by a person not
16 licensed under this Act, including a person holding an
17 inactive license, and not exempt under this Act shall be null
18 and void, and no person or entity shall have any right to
19 collect, attempt to collect, receive, or retain any principal,
20 fee, interest, or charges related to the funding.

21 Section 60. Licensee name. No person, partnership,
22 association, corporation, limited liability company, or other
23 entity engaged in a business regulated by this Act shall
24 operate the business under a name other than the real names of
25 the entity and individuals conducting the business. The

1 business may in addition operate under an assumed corporate
2 name pursuant to the Business Corporation Act of 1983, an
3 assumed limited liability company name pursuant to the Limited
4 Liability Company Act, or an assumed business name pursuant to
5 the Assumed Business Name Act.

6 Section 65. License application process; investigation.

7 (a) The Secretary may issue a license upon completion of
8 all of the following:

9 (1) the filing of an application for a license with
10 the Secretary or the Nationwide Multistate Licensing
11 System and Registry as required by the Secretary;

12 (2) the filing with the Secretary of a listing of
13 judgments entered against and bankruptcy petitions by the
14 license applicant for the preceding 10 years;

15 (3) the filing of an audited balance sheet, including
16 all footnotes prepared by a certified public accountant in
17 accordance with generally accepted accounting principles
18 and generally accepted auditing standards; notwithstanding
19 the requirements of this subsection, an applicant that is
20 a subsidiary may submit audited consolidated financial
21 statements of its parent, intermediary parent, or ultimate
22 parent if the consolidated statements are supported by
23 consolidating statements that include the applicant's
24 financial statement; if the consolidating statements are
25 unaudited, the applicant's chief financial officer shall

1 attest to the applicant's financial statements disclosed
2 in the consolidating statements; and

3 (4) an investigation of the averments required by
4 Section 80, which investigation must allow the Secretary
5 to issue positive findings stating that the financial
6 responsibility, experience, character, and general fitness
7 of the license applicant; of the members thereof if the
8 license applicant is a partnership or association; of the
9 officers and directors thereof if the license applicant is
10 a corporation; and of the managers and members that retain
11 any authority or responsibility under the operating
12 agreement if the license applicant is a limited liability
13 company are such as to command the confidence of the
14 community and to warrant belief that the business will be
15 operated honestly, fairly, and efficiently within the
16 purpose of this Act; if the Secretary does not so find, he
17 or she shall not issue the license and shall notify the
18 license applicant of the denial. The Secretary may impose
19 conditions on a license if the Secretary determines that
20 those conditions are necessary or appropriate. These
21 conditions shall be imposed in writing and shall continue
22 in effect for a period prescribed by the Secretary.

23 (b) All licenses shall be issued to the license applicant.
24 Upon receipt of the license, a consumer legal funding licensee
25 shall be authorized to engage in the business regulated by
26 this Act. The license shall remain in full force and effect

1 until it expires, it is surrendered by the licensee, or it is
2 revoked or suspended as provided by this Act.

3 Section 70. License application form.

4 (a) An application for a consumer legal funding company
5 license must be made in accordance with Section 65 and, if
6 applicable, in accordance with requirements of the Nationwide
7 Multistate Licensing System and Registry. The application
8 shall be in writing, under oath, and on a form obtained from
9 and prescribed by the Secretary, or may be submitted
10 electronically with attestation to the Nationwide Multistate
11 Licensing System and Registry.

12 (b) The application shall contain the name and complete
13 business and residential address or addresses of the license
14 applicant. If the license applicant is a partnership,
15 association, corporation, or other form of business
16 organization, the application shall contain the names and
17 complete business and residential addresses of each member,
18 director, and principal officer of the business. The
19 application shall also include a description of the activities
20 of the license applicant in such detail and for such periods as
21 the Secretary may require, including all of the following:

22 (1) an affirmation of financial solvency noting such
23 capitalization requirements as may be required by the
24 Secretary and access to such credit as may be required by
25 the Secretary;

1 (2) an applicant shall prove in a form satisfactory to
2 the Secretary that the applicant has and will maintain a
3 positive net worth of a minimum of \$30,000;

4 (3) an applicant shall submit to the Secretary with
5 the application for a license and every licensee shall
6 maintain a bond to be approved by the Secretary in which
7 the applicant shall be the obligor, in the sum of \$50,000
8 or such additional amount as required by the Secretary
9 based on the amount of consumer legal fundings made,
10 purchased, or serviced by the licensee in the previous
11 year, and in which an insurance company that is duly
12 authorized by this State to transact the business of
13 fidelity and surety insurance shall be a surety. The
14 surety bond shall run to the Secretary and shall be for the
15 benefit of the Department and of any consumer who incurs
16 damages as a result of any violation of this Act or rules
17 adopted pursuant to this Act by a licensee;

18 (4) an affirmation that the license applicant or its
19 members, directors, or principals, as may be appropriate,
20 are at least 18 years of age;

21 (5) information as to the character, fitness,
22 financial and business responsibility, background,
23 experience, and criminal record of any:

24 (i) person, entity, or ultimate equitable owner
25 that owns or controls, directly or indirectly, 10% or
26 more of any class of stock of the license applicant;

1 (ii) person, entity, or ultimate equitable owner
2 that is not a depository institution, as defined in
3 Section 1007.50 of the Savings Bank Act, that lends,
4 provides, or infuses, directly or indirectly, in any
5 way, funds to or into a license applicant in an amount
6 equal to or more than 10% of the license applicant's
7 net worth;

8 (iii) person, entity, or ultimate equitable owner
9 that controls, directly or indirectly, the election of
10 25% or more of the members of the board of directors of
11 a license applicant; or

12 (iv) person, entity, or ultimate equitable owner
13 that the Secretary finds influences management of the
14 license applicant; the provisions of this subparagraph
15 shall not apply to a public official serving on the
16 board of directors of a State guaranty agency;

17 (6) upon written request by the licensee and
18 notwithstanding the provisions of paragraphs (1), (2), and
19 (3) of this subsection, the Secretary may permit the
20 licensee to omit all or part of the information required
21 by those paragraphs if instead of the omitted information,
22 the licensee submits an affidavit stating that the
23 information submitted on the licensee's previous renewal
24 application is still true and accurate; the Department may
25 adopt rules prescribing the form and content of the
26 affidavit that are necessary to accomplish the purposes of

1 this paragraph; and

2 (7) any other information as required by rule.

3 Section 75. License application; Nationwide Multistate
4 Licensing System and Registry.

5 (a) Applicants for a license shall apply in a form
6 prescribed by the Secretary. Each form shall contain content
7 as set forth by rule, regulation, instruction, or procedure of
8 the Department and may be changed or updated as necessary by
9 the Department in order to carry out the purposes of this Act.

10 (b) In order to fulfill the purposes of this Act, the
11 Secretary is authorized to establish relationships or
12 contracts with the Nationwide Multistate Licensing System and
13 Registry or other entities designated by the Nationwide
14 Multistate Licensing System and Registry to collect and
15 maintain records and process transaction fees or other fees
16 related to licensees or other persons subject to this Act.

17 (c) In connection with an application for licensing, the
18 applicant may be required, at a minimum, to furnish to the
19 Nationwide Multistate Licensing System and Registry
20 information concerning the applicant's identity, including
21 personal history and experience in a form prescribed by the
22 Nationwide Multistate Licensing System and Registry, including
23 the submission of authorization for the Nationwide Multistate
24 Licensing System and Registry and the Secretary to obtain:

25 (1) an independent credit report obtained from a

1 consumer reporting agency described in Section 603(p) of
2 the Fair Credit Reporting Act, 15 U.S.C. 1681a(p); and

3 (2) information related to any administrative, civil,
4 or criminal findings by any governmental jurisdiction.

5 (d) For the purposes of this Section, and in order to
6 reduce the points of contact that the Secretary may have to
7 maintain for purposes of paragraph (2) of subsection (c), the
8 Secretary may use the Nationwide Multistate Licensing System
9 and Registry as a channeling agent for requesting and
10 distributing information to and from any source as directed by
11 the Secretary.

12 Section 80. Averments of applicant. Each application for
13 license shall be accompanied by the following averments
14 stating that the applicant:

15 (1) will file with the Secretary or Nationwide
16 Multistate Licensing System and Registry, as applicable,
17 any report or reports that it is required to file under any
18 of the provisions of this Act when due;

19 (2) has not committed a crime against the law of this
20 State, any other state, or of the United States involving
21 moral turpitude or fraudulent or dishonest dealing, and
22 that no final judgment has been entered against it in a
23 civil action upon grounds of fraud, misrepresentation, or
24 deceit that has not been previously reported to the
25 Secretary;

1 (3) has not engaged in any conduct that would be cause
2 for denial of a license;

3 (4) has not become insolvent;

4 (5) has not submitted an application for a license
5 under this Act that contains a material misstatement;

6 (6) has not demonstrated by course of conduct,
7 negligence or incompetence in performing any act for which
8 it is required to hold a license under this Act;

9 (7) will advise the Secretary in writing or the
10 Nationwide Multistate Licensing System and Registry, as
11 applicable, of any changes to the information submitted on
12 the most recent application for license or averments of
13 record within 30 days after the change; the written notice
14 must be signed in the same form as the application for the
15 license being amended;

16 (8) will comply with the provisions of this Act and
17 with any lawful order, rule, or regulation made or issued
18 under the provisions of this Act;

19 (9) will submit to periodic examination by the
20 Secretary as required by this Act; and

21 (10) will advise the Secretary in writing of judgments
22 entered against and bankruptcy petitions by the license
23 applicant within 5 days after the occurrence.

24 A licensee who fails to fulfill the obligations of an
25 averment, fails to comply with averments made, or otherwise
26 violates any of the averments made under this Section shall be

1 subject to the penalties of this Act.

2 Section 85. Refusal to issue license. The Secretary may
3 refuse to issue or renew a license if:

4 (1) it is determined that the applicant is not in
5 compliance with any provisions of this Act;

6 (2) there is substantial continuity between the
7 applicant and any violator of this Act; or

8 (3) the Secretary cannot make the findings specified
9 in subsection (a) of Section 65.

10 Section 90. Closing of business; surrender of license. At
11 least 10 days before a licensee ceases operations, closes
12 business, or files for bankruptcy:

13 (1) The licensee shall notify the Department of its
14 action in writing.

15 (2) With the exception of filing for bankruptcy, the
16 licensee shall surrender its license to the Secretary for
17 cancellation; the surrender of the license shall not
18 affect the licensee's civil or criminal liability for acts
19 committed before surrender or entitle the licensee to a
20 return of any part of the annual license fee.

21 (3) The licensee shall notify the Department of the
22 location where the books, accounts, contracts, and records
23 will be maintained and the procedure to ensure prompt
24 return of contracts, titles, and releases to the

1 customers.

2 (4) The accounts, books, records, and contracts shall
3 be maintained and serviced by the licensee or another
4 licensee under this Act or an entity exempt from licensure
5 under this Act.

6 (5) The Department shall have the authority to conduct
7 examinations of the books, records, and funding documents
8 at any time after surrender of the license, filing of
9 bankruptcy, or the cessation of operations.

10 Section 95. License renewal; fees.

11 (a) Licenses shall be renewed every year using the common
12 renewal date of the Nationwide Multistate Licensing System and
13 Registry, as required by the Secretary. Properly completed
14 renewal application forms and filing fees may be received by
15 the Secretary 60 days before the license expiration date, but
16 to be deemed timely the completed renewal application forms
17 and filing fees must be received by the Secretary no later than
18 30 days before the license expiration date.

19 (b) It shall be the responsibility of each licensee to
20 accomplish renewal of its license. Failure by a licensee to
21 submit a properly completed renewal application form and fees
22 in a timely fashion, absent a written extension from the
23 Secretary, shall result in the license becoming inactive.

24 (c) No activity regulated by this Act shall be conducted
25 by the licensee when a license becomes inactive. An inactive

1 license may be reactivated by the Secretary upon payment of a
2 renewal fee and payment of a reactivation fee equal to the
3 renewal fee.

4 (d) A licensee ceasing an activity or activities regulated
5 by this Act and desiring to no longer be licensed shall inform
6 the Secretary in writing and, at the same time, convey any
7 license issued and all other symbols or indicia of licensure.
8 The licensee shall include a plan for the withdrawal from the
9 regulated business, including a timetable for the disposition
10 of the business, and comply with the surrender guidelines or
11 rules of the Department. Upon receipt of such written notice,
12 the Secretary shall post the cancellation or issue a certified
13 statement canceling the license.

14 (e) The expenses of administering this Act, including
15 investigations and examinations provided for in this Act,
16 shall be borne by and assessed against entities regulated by
17 this Act. The fees listed in this Section shall be payable to
18 the Department or to the Nationwide Multistate Licensing
19 System and Registry for transfer to the required recipients by
20 the Secretary. The Secretary will specify the form of payment
21 to the Department or to the Nationwide Multistate Licensing
22 System and Registry, which may include certified check, money
23 order, credit card, or other forms of payment authorized by
24 the Secretary. The Nationwide Multistate Licensing System and
25 Registry shall be authorized to collect and process
26 transaction fees or other fees related to licensees or other

1 persons subject to the Act.

2 (f) Applicants and licensees shall be subject to the
3 following fees:

4 (1) For each application for an initial license, the
5 applicant shall pay a nonrefundable initial application
6 fee of \$1,000 and a nonrefundable background investigation
7 fee of \$800.

8 (2) For each application for an annual renewal of a
9 license, the applicant shall pay a nonrefundable renewal
10 fee of \$1,000. For each application for a renewal of an
11 inactive license, the applicant shall pay the
12 nonrefundable renewal fee of \$1,000 and an additional
13 nonrefundable reactivation fee equal to the renewal fee.

14 (3) The licensee shall pay a nonrefundable fee of
15 \$1,000 for each notice of change of ownership or control
16 filed.

17 (4) The licensee shall pay a nonrefundable fee of \$50
18 for each notice of change of officers or directors or
19 change of name or address filed.

20 (5) Any licensee or person who delivers a check or
21 other payment to the Department that is returned unpaid by
22 the financial institution upon which it is drawn shall pay
23 to the Department, in addition to the amount already owed,
24 a fee of \$50.

25 (6) Time expended in the conduct of any examination of
26 the affairs of any licensee or its affiliates shall be

1 billed by the Department at a rate of \$510 per examiner
2 day. Examination fees shall be billed following completion
3 of the examination and shall be paid within 30 days after
4 receipt of the billing.

5 (7) If out-of-state travel occurs in the conduct of
6 any examination, the licensee shall make arrangements to
7 reimburse the Department for all charges for services,
8 including travel expenses, including airfare, hotel and
9 per diem expenses incurred by the employee. These expenses
10 are to be in accord with applicable travel regulations
11 published by the Department of Central Management Services
12 and approved by the Governor's Travel Control Board.

13 (8) Each licensee shall pay to the Department its pro
14 rata share of the cost for administration of the Act that
15 exceeds other fees listed in this Section, as estimated by
16 the Department, for the current year and any deficit
17 actually incurred in the administration of the Act in
18 prior years. The calculation method for each licensee's
19 pro rata share shall be established by rule.

20 (g) Beginning one year after the effective date of this
21 Act, the Department may, by rule, amend the fees set forth in
22 this Section.

23 Section 100. Secretary of Financial and Professional
24 Regulation; functions and powers. The functions and powers of
25 the Secretary shall include the following:

1 (1) to issue or refuse to issue any license as
2 provided by this Act;

3 (2) to revoke or suspend for cause any license issued
4 under this Act;

5 (3) to keep records of all licenses issued under this
6 Act;

7 (4) to receive, consider, investigate, and act upon
8 complaints made by any person in connection with any
9 licensed consumer legal funding company in this State or
10 unlicensed consumer legal funding activity;

11 (5) to prescribe the forms of and receive:

12 (A) applications for licenses; and

13 (B) all reports and all books and records required
14 to be made by any licensee under this Act, including
15 annual audited financial statements and annual reports
16 of consumer legal funding activity;

17 (6) to subpoena documents and witnesses and compel
18 their attendance and production, to administer oaths, and
19 to require the production of any books, papers, or other
20 materials relevant to any inquiry authorized by this Act;

21 (7) to issue orders against any person:

22 (A) if the Secretary has reasonable cause to
23 believe that an unsafe, unsound, or unlawful practice
24 has occurred, is occurring, or is about to occur;

25 (B) if any person has violated, is violating, or
26 is about to violate any law, rule, or written

1 agreement with the Secretary; or

2 (C) for the purpose of administering the
3 provisions of this Act and any rule adopted in
4 accordance with this Act;

5 (8) to address any inquiries to any licensee, or the
6 officers of the licensee, in relation to the licensee's
7 activities and conditions or any other matter connected
8 with its affairs, and it shall be the duty of any licensee
9 or person so addressed to promptly reply in writing to
10 those inquiries; the Secretary may also require reports
11 from any licensee at any time the Secretary chooses;

12 (9) to examine the books and records of every licensee
13 under this Act;

14 (10) to enforce the provisions of this Act;

15 (11) to levy fees, fines, and charges for services
16 performed in administering this Act; the aggregate of all
17 fees collected by the Secretary on and after the effective
18 date of this Act shall be paid promptly after receipt,
19 accompanied by a detailed statement of fees paid, into the
20 Financial Institutions Fund; the amounts deposited into
21 that Fund shall be used for the ordinary and contingent
22 expenses of the Department; nothing in this Act shall
23 prevent the continuation of the practice of paying
24 expenses involving salaries, retirement, social security,
25 and State-paid insurance of State officers by
26 appropriation from the General Revenue Fund or any other

1 fund;

2 (12) to appoint examiners, supervisors, experts, and
3 special assistants as needed to effectively and
4 efficiently administer this Act;

5 (13) to conduct hearings for the purpose of:

6 (A) appeals of orders of the Secretary;

7 (B) suspensions or revocations of licenses;

8 (C) fining of licensees or unlicensed persons or
9 entities;

10 (D) investigating:

11 (i) complaints against licensees or unlicensed
12 persons or entities; or

13 (ii) annual gross delinquency rates; and

14 (E) carrying out the purposes of this Act;

15 (14) to exercise visitorial power over a licensee;

16 (15) to enter into cooperative agreements with state
17 regulatory authorities of other states to provide for
18 examination of corporate offices or branches of those
19 states and to accept reports of those examinations;

20 (16) to assign an examiner or examiners to monitor the
21 affairs of a licensee with whatever frequency the
22 Secretary determines appropriate and to charge the
23 licensee for reasonable and necessary expenses of the
24 Secretary if in the opinion of the Secretary an emergency
25 exists or appears likely to occur;

26 (17) to impose civil penalties of up to \$50 per day

1 against a licensee for failing to respond to a regulatory
2 request or reporting requirement; and

3 (18) to enter into agreements in connection with the
4 Nationwide Multistate Licensing System and Registry.

5 Section 105. Other businesses.

6 (a) Upon application by the licensee and payment of a \$500
7 fee, the Secretary may approve the conduct of other businesses
8 not specifically permitted by this Act in the licensee's place
9 of business, unless the Secretary finds that such conduct will
10 conceal or facilitate evasion or violation of this Act. The
11 Secretary's approval shall be in writing and shall describe
12 the other businesses which may be conducted in the licensed
13 office.

14 (b) The Department shall adopt and enforce such reasonable
15 rules and regulations for the conduct of business under this
16 Act in the same office with other businesses as may be
17 necessary to prevent evasions or violations of this Act. The
18 Secretary may investigate any business conducted in the
19 licensed office.

20 Section 110. Financial Institution Fund. All moneys
21 received by the Secretary under this Act in conjunction with
22 the provisions relating to consumer legal funding companies
23 shall be paid into the Financial Institution Fund and all
24 expenses incurred by the Secretary under this Act in

1 conjunction with the provisions relating to consumer legal
2 funding companies shall be paid from the Financial Institution
3 Fund.

4 Section 115. Examination; prohibited activities.

5 (a) The business affairs of a licensee under this Act
6 shall be examined for compliance with this Act as often as the
7 Secretary deems necessary and proper. The Department may adopt
8 rules with respect to the frequency and manner of examination.
9 The Secretary shall appoint a suitable person to perform an
10 examination. The Secretary and his or her appointees may
11 examine the entire books, records, documents, and operations
12 of each licensee and its subsidiary, affiliate, or agent, and
13 may examine any of the licensee's or its subsidiary's,
14 affiliate's, or agent's officers, directors, employees, and
15 agents under oath.

16 (b) The Secretary shall prepare a sufficiently detailed
17 report of each licensee's examination, shall issue a copy of
18 the report to each licensee's principals, officers, or
19 directors, and shall take appropriate steps to ensure
20 correction of violations of this Act.

21 (c) Affiliates of a licensee shall be subject to
22 examination by the Secretary on the same terms as the
23 licensee, but only when reports from or examination of a
24 licensee provides for documented evidence of unlawful activity
25 between a licensee and affiliate benefiting, affecting, or

1 deriving from the activities regulated by this Act.

2 (d) The expenses of any examination of the licensee and
3 affiliates shall be borne by the licensee and assessed by the
4 Secretary as may be established by rule.

5 (e) Upon completion of the examination, the Secretary
6 shall issue a report to the licensee. All confidential
7 supervisory information, including the examination report and
8 the work papers of the report, shall belong to the Secretary's
9 office and may not be disclosed to anyone other than the
10 licensee, law enforcement officials or other regulatory
11 agencies that have an appropriate regulatory interest as
12 determined by the Secretary, or to a party presenting a lawful
13 subpoena to the Department. The Secretary may, through the
14 Attorney General, immediately appeal to the court of
15 jurisdiction the disclosure of such confidential supervisory
16 information and seek a stay of the subpoena pending the
17 outcome of the appeal. Reports required of licensees by the
18 Secretary under this Act and results of examinations performed
19 by the Secretary under this Act shall be the property of only
20 the Secretary, but may be shared with the licensee. Access
21 under this Act to the books and records of each licensee shall
22 be limited to the Secretary and his or her agents as provided
23 in this Act and to the licensee and its authorized agents and
24 designees. No other person shall have access to the books and
25 records of a licensee under this Act. Any person upon whom a
26 demand for production of confidential supervisory information

1 is made, whether by subpoena, order, or other judicial or
2 administrative process, must withhold production of the
3 confidential supervisory information and must notify the
4 Secretary of the demand, at which time the Secretary is
5 authorized to intervene for the purpose of enforcing the
6 limitations of this Section or seeking the withdrawal or
7 termination of the attempt to compel production of the
8 confidential supervisory information. The Secretary may impose
9 any conditions and limitations on the disclosure of
10 confidential supervisory information that are necessary to
11 protect the confidentiality of that information. Except as
12 authorized by the Secretary, no person obtaining access to
13 confidential supervisory information may make a copy of the
14 confidential supervisory information. The Secretary may
15 condition a decision to disclose confidential supervisory
16 information on entry of a protective order by the court or
17 administrative tribunal presiding in the particular case or on
18 a written agreement of confidentiality. In a case in which a
19 protective order or agreement has already been entered between
20 parties other than the Secretary, the Secretary may
21 nevertheless condition approval for release of confidential
22 supervisory information upon the inclusion of additional or
23 amended provisions in the protective order. The Secretary may
24 authorize a party who obtained the records for use in one case
25 to provide them to another party in another case, subject to
26 any conditions that the Secretary may impose on either or both

1 parties. The requester shall promptly notify other parties to
2 a case of the release of confidential supervisory information
3 obtained and, upon entry of a protective order, shall provide
4 copies of confidential supervisory information to the other
5 parties.

6 Section 120. Judicial review. All final administrative
7 decisions of the Department under this Act, all amendments and
8 modifications of final administrative decisions, and any rules
9 adopted by the Department pursuant to this Act shall be
10 subject to judicial review pursuant to the provisions of the
11 Administrative Review Law.

12 Section 125. Subpoena power.

13 (a) The Secretary shall have the power to issue and to
14 serve subpoenas and subpoenas duces tecum to compel the
15 attendance of witnesses and the production of all books,
16 accounts, records, and other documents and materials relevant
17 to an examination or investigation. The Secretary, or his or
18 her duly authorized representative, shall have power to
19 administer oaths and affirmations to any person.

20 (b) In the event of noncompliance with a subpoena or
21 subpoena duces tecum issued or caused to be issued by the
22 Secretary, the Secretary may, through the Attorney General,
23 petition the circuit court of the county in which the person
24 subpoenaed resides or has its principal place of business for

1 an order requiring the subpoenaed person to appear and testify
2 and to produce such books, accounts, records, and other
3 documents as are specified in the subpoena duces tecum. The
4 court may grant injunctive relief restraining the person from
5 advertising, promoting, soliciting, entering into, offering to
6 enter into, continuing, or completing any consumer legal
7 funding transaction. The court may grant other relief,
8 including, but not limited to, the restraint, by injunction or
9 appointment of a receiver, of any transfer, pledge,
10 assignment, or other disposition of the person's assets or any
11 concealment, alteration, destruction, or other disposition of
12 books, accounts, records, or other documents and materials as
13 the court deems appropriate, until the person has fully
14 complied with the subpoena or subpoena duces tecum and the
15 Secretary has completed an investigation or examination.

16 (c) If it appears to the Secretary that the compliance
17 with a subpoena or subpoena duces tecum issued or caused to be
18 issued by the Secretary pursuant to this Section is essential
19 to an investigation or examination, the Secretary may, in
20 addition to the other remedies provided for in this Act,
21 through the Attorney General, apply for relief to the circuit
22 court of the county in which the subpoenaed person resides or
23 has its principal place of business. The court shall thereupon
24 direct the issuance of an order against the subpoenaed person
25 requiring sufficient bond conditioned on compliance with the
26 subpoena or subpoena duces tecum. The court shall cause to be

1 endorsed on the order a suitable amount of bond or payment
2 pursuant to which the person named in the order shall be freed,
3 having a due regard to the nature of the case.

4 (d) In addition, the Secretary may, through the Attorney
5 General, seek a writ of attachment or an equivalent order from
6 the circuit court having jurisdiction over the person who has
7 refused to obey a subpoena, who has refused to give testimony,
8 or who has refused to produce the matters described in the
9 subpoena duces tecum.

10 Section 130. Report required of licensee. In addition to
11 any reports required under this Act, every licensee shall file
12 any other report that the Secretary requires.

13 Section 135. Suspension; revocation of licenses; fines.

14 (a) Upon written notice to a licensee, the Secretary may
15 suspend or revoke any license issued pursuant to this Act if,
16 in the notice, he or she makes a finding of one or more of the
17 following:

18 (1) that through separate acts or an act or a course of
19 conduct, the licensee has violated any provisions of this
20 Act, any rule adopted by the Department, or any other law,
21 rule, or regulation of this State or the United States;

22 (2) that any fact or condition exists that, if it had
23 existed at the time of the original application for the
24 license, would have warranted the Secretary in refusing

1 originally to issue the license; or

2 (3) that if a licensee is other than an individual,
3 any ultimate equitable owner, officer, director, or member
4 of the licensed partnership, association, corporation, or
5 other entity has acted or failed to act in a way that would
6 be cause for suspending or revoking a license to that
7 party as an individual.

8 (b) No license shall be suspended or revoked, except as
9 provided in this Section, nor shall any licensee be fined
10 without notice of his or her right to a hearing as provided in
11 subsection (n).

12 (c) The Secretary, on good cause shown that an emergency
13 exists, may suspend any license for a period not exceeding 180
14 days, pending investigation.

15 (d) The provisions of subsection (d) of Section 95 shall
16 not affect a licensee's civil or criminal liability for acts
17 committed before surrender of a license.

18 (e) No revocation, suspension, or surrender of any license
19 shall impair or affect the obligation of any preexisting
20 lawful contract between the licensee and any person.

21 (f) Every license issued under this Act shall remain in
22 force and effect until the license expires without renewal, is
23 surrendered, is revoked, or is suspended in accordance with
24 the provisions of this Act, but the Secretary shall have
25 authority to reinstate a suspended license or to issue a new
26 license to a licensee whose license has been revoked if no fact

1 or condition then exists which would have warranted the
2 Secretary in refusing originally to issue that license under
3 this Act.

4 (g) Whenever the Secretary revokes or suspends a license
5 issued pursuant to this Act or fines a licensee under this Act,
6 he or she shall execute a written order to that effect. The
7 Secretary shall serve a copy of the order upon the licensee.
8 Any such order may be reviewed in the manner provided by
9 Section 170.

10 (h) If the Secretary finds any person in violation of the
11 grounds set forth in subsection (p), he or she may enter an
12 order imposing one or more of the following penalties:

13 (1) revocation of license;

14 (2) suspension of a license subject to reinstatement
15 upon satisfying all reasonable conditions the Secretary
16 may specify;

17 (3) placement of the licensee or applicant on
18 probation for a period of time and subject to all
19 reasonable conditions as the Secretary may specify;

20 (4) issuance of a reprimand;

21 (5) imposition of a fine not to exceed \$25,000 for
22 each count of separate offense; except that a fine may be
23 imposed that shall not exceed \$75,000 for each separate
24 count of offense in violation of paragraph (2) of
25 subsection (i);

26 (6) denial of a license; or

1 (7) restitution for the benefit of consumers.

2 (i) The Secretary may, after 10 days' notice by certified
3 mail to the licensee at the address set forth in the license
4 stating the contemplated action and in general the grounds
5 therefor, fine the licensee an amount not exceeding \$10,000
6 per violation or revoke or suspend any license issued under
7 this Act if he or she finds that:

8 (1) the licensee has failed to comply with any
9 provision of this Act, any rule adopted pursuant to this
10 Act, or any order, decision, finding, or direction of the
11 Secretary lawfully made pursuant to the authority of this
12 Act; or

13 (2) any fact or condition exists which, if it had
14 existed at the time of the original application for the
15 license, clearly would have warranted the Secretary in
16 refusing to issue the license.

17 (j) The Secretary may fine, suspend, or revoke only the
18 particular license with respect to which grounds for the fine,
19 revocation, or suspension occur or exist, but if the Secretary
20 finds that grounds for revocation are of general application
21 to all offices or to more than one office of the licensee, the
22 Secretary shall fine, suspend, or revoke every license to
23 which the grounds apply.

24 (k) No revocation, suspension, or surrender of any license
25 shall impair or affect the obligation of any preexisting
26 lawful contract between the licensee and any obligor.

1 (1) The Secretary may issue a new license to a licensee
2 whose license has been revoked when facts or conditions which
3 clearly would have warranted the Secretary in refusing
4 originally to issue the license no longer exist.

5 (m) In every case in which a license is suspended or
6 revoked or an application for a license or renewal of a license
7 is denied, the Secretary shall serve the licensee with notice
8 of his or her action, including a statement of the reasons for
9 his or her actions, either personally or by certified mail.
10 Service by certified mail shall be deemed completed when the
11 notice is deposited in the U.S. mail.

12 (n) An order assessing a fine, an order revoking or
13 suspending a license, or an order denying renewal of a license
14 shall take effect upon service of the order unless the
15 licensee requests a hearing, in writing, within 10 days after
16 the date of service. If a hearing is requested, the order shall
17 be stayed until a final administrative order is entered.

18 (1) If the licensee requests a hearing, the Secretary
19 shall schedule a hearing within 30 days after the request
20 for a hearing unless otherwise agreed to by the parties.

21 (2) The hearing shall be held at the time and place
22 designated by the Secretary. The Secretary and any
23 administrative law judge designated by him or her shall
24 have the power to administer oaths and affirmations,
25 subpoena witnesses and compel their attendance, take
26 evidence, and require the production of books, papers,

1 correspondence, and other records or information that he
2 or she considers relevant or material to the inquiry.

3 (o) The costs of administrative hearings conducted
4 pursuant to this Section shall be paid by the licensee.

5 (p) The following acts shall constitute grounds for which
6 the disciplinary actions specified in subsection (h) may be
7 taken:

8 (1) being convicted or found guilty, regardless of
9 pendency of an appeal, of a crime in any jurisdiction that
10 involves fraud, dishonest dealing, or any other act of
11 moral turpitude;

12 (2) fraud, misrepresentation, deceit, or negligence in
13 any relation to any consumer legal funding;

14 (3) a material or intentional misstatement of fact on
15 an initial or renewal application;

16 (4) insolvency or filing under any provision of the
17 United States Bankruptcy Code as a debtor;

18 (5) failure to account or deliver to any person any
19 property, such as any money, fund, deposit, check, draft,
20 or other document or thing of value, that has come into his
21 or her hands and that is not his or her property or that he
22 or she is not in law or equity entitled to retain, under
23 the circumstances and at the time which has been agreed
24 upon or is required by law, or, in the absence of a fixed
25 time, upon demand of the person entitled to such
26 accounting and delivery;

1 (6) failure to disburse funds in accordance with
2 agreements;

3 (7) having a license, or the equivalent, to practice
4 any profession or occupation revoked, suspended, or
5 otherwise acted against, including the denial of licensure
6 by a licensing authority of this State or another state,
7 territory, or country, for fraud, dishonest dealing, or
8 any other act of moral turpitude;

9 (8) failure to comply with an order of the Secretary
10 or rule adopted under the provisions of this Act;

11 (9) engaging in activities regulated by this Act
12 without a current, active license unless specifically
13 exempted by this Act;

14 (10) failure to pay in a timely manner any fee,
15 charge, or fine under this Act;

16 (11) failure to maintain, preserve, and keep available
17 for examination all books, accounts, or other documents
18 required by the provisions of this Act and the rules of the
19 Department;

20 (12) refusing, obstructing, evading, or unreasonably
21 delaying an investigation, information request, or
22 examination authorized under this Act, or refusing,
23 obstructing, evading, or unreasonably delaying compliance
24 with the Secretary's subpoena or subpoena duces tecum;

25 (13) failure to comply with or a violation of any
26 provision of this Act; and

1 (14) any unfair, deceptive, or abusive business
2 practice.

3 (q) A licensee shall be subject to the disciplinary
4 actions specified in this Act for violations of subsection (i)
5 by any officer, director, shareholder, joint venture, partner,
6 ultimate equitable owner, or employee of the licensee.

7 (r) A licensee shall be subject to suspension or
8 revocation for unauthorized employee actions only if there is
9 a pattern of repeated violations by employees, the licensee
10 has knowledge of the violations, or there is substantial harm
11 to a consumer. A licensee may be subject to fine for employee
12 actions, whether authorized or unauthorized, whether there is
13 a pattern of repeated violations or no pattern of repeated
14 violations.

15 (s) Any licensee may submit an application to surrender a
16 license, but, upon the Secretary approving the surrender, it
17 shall not affect the licensee's civil or criminal liability
18 for acts committed before surrender or entitle the licensee to
19 a return of any part of the license fee.

20 Section 140. Investigation of complaints. The Secretary
21 may receive, record, and investigate complaints and inquiries
22 made by any person concerning this Act and any licensees under
23 this Act. Each licensee shall open its books, records,
24 documents, and offices wherever situated to the Secretary or
25 his or her appointees as needed to facilitate such

1 investigations.

2 Section 145. Additional investigation and examination
3 authority. In addition to any authority allowed under this
4 Act, the Secretary shall have the authority to conduct
5 investigations and examinations as follows:

6 (1) For purposes of initial licensing, license
7 renewal, license suspension, license conditioning, license
8 revocation or termination, or general or specific inquiry
9 or investigation to determine compliance with this Act,
10 the Secretary shall have the authority to access, receive,
11 and use any books, accounts, records, files, documents,
12 information, or evidence, including, but not limited to,
13 the following:

14 (A) criminal, civil, and administrative history
15 information, including nonconviction data as specified
16 in the Criminal Code of 2012;

17 (B) personal history and experience information,
18 including independent credit reports obtained from a
19 consumer reporting agency described in Section 603(p)
20 of the federal Fair Credit Reporting Act; and

21 (C) any other documents, information, or evidence
22 the Secretary deems relevant to the inquiry or
23 investigation, regardless of the location, possession,
24 control, or custody of the documents, information, or
25 evidence.

1 (2) For the purposes of investigating violations or
2 complaints arising under this Act or for the purposes of
3 examination, the Secretary may review, investigate, or
4 examine any licensee, individual, or person subject to
5 this Act as often as necessary in order to carry out the
6 purposes of this Act. The Secretary may direct, subpoena,
7 or order the attendance of and examine under oath all
8 persons whose testimony may be required about the consumer
9 legal fundings or the business or subject matter of any
10 such examination or investigation, and may direct,
11 subpoena, or order the person to produce books, accounts,
12 records, files, and any other documents the Secretary
13 deems relevant to the inquiry.

14 (3) Each licensee, individual, or person subject to
15 this Act shall make available to the Secretary upon
16 request the books and records relating to the operations
17 of the licensee, individual, or person subject to this
18 Act. The Secretary shall have access to those books and
19 records and may interview the officers, principals,
20 employees, independent contractors, agents, and customers
21 of the licensee, individual, or person subject to this Act
22 concerning their business.

23 (4) Each licensee, individual, or person subject to
24 this Act shall make or compile reports or prepare other
25 information as directed by the Secretary in order to carry
26 out the purposes of this Section, including, but not

1 limited to:

2 (A) accounting compilations;

3 (B) information lists and data concerning consumer
4 legal fundings in a format prescribed by the
5 Secretary; or

6 (C) other information deemed necessary to carry
7 out the purposes of this Section.

8 (5) In making any examination or investigation
9 authorized by this Act, the Secretary may control access
10 to any documents and records of the licensee or person
11 under examination or investigation. The Secretary may take
12 possession of the documents and records or place a person
13 in exclusive charge of the documents and records in the
14 place where they are usually kept. During the period of
15 control, no person shall remove or attempt to remove any
16 of the documents or records, except pursuant to a court
17 order or with the consent of the Secretary. Unless the
18 Secretary has reasonable grounds to believe the documents
19 or records of the licensee have been or are at risk of
20 being altered or destroyed for purposes of concealing a
21 violation of this Act, the licensee or owner of the
22 documents and records shall have access to the documents
23 or records as necessary to conduct its ordinary business
24 affairs.

25 (6) In order to carry out the purposes of this
26 Section, the Secretary may:

1 (A) retain attorneys, accountants, or other
2 professionals and specialists as examiners, auditors,
3 or investigators to conduct or assist in the conduct
4 of examinations or investigations;

5 (B) enter into agreements or relationships with
6 other government officials or regulatory associations
7 in order to improve efficiencies and reduce regulatory
8 burden by sharing resources, standardized or uniform
9 methods or procedures, and documents, records,
10 information, or evidence obtained under this Section;

11 (C) use, hire, contract, or employ publicly or
12 privately available analytical systems, methods, or
13 software to examine or investigate the licensee,
14 individual, or person subject to this Act;

15 (D) accept and rely on examination or
16 investigation reports made by other government
17 officials within or outside this State; or

18 (E) accept audit reports made by an independent
19 certified public accountant for the licensee,
20 individual, or person subject to this Act in the
21 course of that part of the examination covering the
22 same general subject matter as the audit and may
23 incorporate the audit report in the report of the
24 examination, report of investigation, or other writing
25 of the Secretary.

26 (7) The authority of this Section shall remain in

1 effect if a licensee, individual, or person subject to
2 this Act acts or claims to act under any licensing or
3 registration law of this State or claims to act without
4 the authority.

5 (8) No licensee, individual, or person subject to
6 investigation or examination under this Section may
7 knowingly withhold, abstract, remove, mutilate, destroy,
8 or secrete any books, records, computer records, or other
9 information.

10 Section 150. Confidential information. In hearings
11 conducted under this Act, information presented into evidence
12 that was acquired by the licensee when serving any individual
13 in connection with a consumer legal funding, including all
14 financial information of the individual, shall be deemed
15 strictly confidential and shall be made available only as part
16 of the record of a hearing under this Act or otherwise (i) when
17 the record is required, in its entirety, for purposes of
18 judicial review or (ii) upon the express written consent of
19 the individual served, or in the case of his or her death or
20 disability, the consent of his or her personal representative.

21 Section 155. Information sharing. In order to promote more
22 effective regulation and reduce regulatory burden through
23 supervisory information sharing:

24 (1) Except as otherwise provided in any federal law or

1 State law regarding the privacy or confidentiality of any
2 information or material provided to the Nationwide
3 Mortgage Licensing System and Registry, any privilege
4 arising under federal or State law, including the rules of
5 any federal or State court, with respect to such
6 information or material shall continue to apply to
7 information or material after the information or material
8 has been disclosed to the Nationwide Mortgage Licensing
9 System and Registry. The information and material may be
10 shared with all State and federal regulatory officials
11 with relevant oversight authority without the loss of
12 privilege or the loss of confidentiality protections
13 provided by federal law or State law.

14 (2) The Secretary is authorized to enter into
15 agreements or sharing arrangements with other governmental
16 agencies, the Conference of State Bank Supervisors, or
17 other associations representing governmental agencies as
18 established by rule or order of the Department. The
19 sharing of confidential supervisory information or any
20 information or material described in paragraph (1)
21 pursuant to an agreement or sharing arrangement shall not
22 result in the loss of privilege or the loss of
23 confidentiality protections provided by federal law or
24 State law.

25 (3) Information or material that is subject to a
26 privilege or confidentiality under paragraph (1) shall not

1 be subject to the following:

2 (A) disclosure under any State law governing the
3 disclosure to the public of information held by an
4 officer or an agency of the State; or

5 (B) subpoena, discovery, or admission into
6 evidence in any private civil action or administrative
7 process, unless with respect to any privilege held by
8 the Nationwide Mortgage Licensing System and Registry
9 with respect to the information or material, the
10 person to whom such information or material pertains
11 waives, in whole or in part, in the discretion of that
12 person, that privilege.

13 (4) Any other law relating to the disclosure of
14 confidential supervisory information or any information or
15 material described in paragraph (1) that is inconsistent
16 with paragraph (1) shall be superseded by the requirements
17 of this Section to the extent the other law provides less
18 confidentiality or a weaker privilege.

19 Section 160. Reports of violations. Any person licensed
20 under this Act or any other person may report to the Secretary
21 any information to show that a person subject to this Act is or
22 may be in violation of this Act. A person who files a report
23 with the Department that a licensee is engaged in one or more
24 violations pursuant to this Act shall not be the subject of
25 disciplinary action by the Department, unless the Department

1 determines, by a preponderance of the evidence available to
2 the Department, that the reporting person knowingly and
3 willingly participated in the violation that was reported.

4 Section 165. Rules of the Department.

5 (a) In addition to such powers as may be prescribed by this
6 Act, the Department is hereby authorized and empowered to
7 adopt rules consistent with the purposes of this Act,
8 including, but not limited to:

9 (1) rules in connection with the activities of
10 licensees or unlicensed consumer legal funding companies
11 as may be necessary and appropriate for the protection of
12 consumers in this State;

13 (2) rules as may be necessary and appropriate to
14 define improper or fraudulent business practices in
15 connection with the activities of licensees in servicing
16 consumer legal fundings;

17 (3) rules that define the terms used in this Act and as
18 may be necessary and appropriate to interpret and
19 implement the provisions of this Act; and

20 (4) rules as may be necessary for the enforcement and
21 administration of this Act.

22 (b) The Secretary is hereby authorized and empowered to
23 make specific rulings, demands, and findings that he or she
24 deems necessary for the proper conduct of the consumer legal
25 funding company industry.

1 Section 170. Appeal and review.

2 (a) The Department may, in accordance with the Illinois
3 Administrative Procedure Act, adopt rules to provide for
4 review within the Department of the Secretary's decisions
5 affecting the rights of persons or entities under this Act.
6 The review shall provide for, at a minimum:

7 (1) appointment of a hearing officer other than a
8 regular employee of the Department;

9 (2) appropriate procedural rules, specific deadlines
10 for filings, and standards of evidence and of proof; and

11 (3) provision for apportioning costs among parties to
12 the appeal.

13 (b) All final agency determinations of appeals to
14 decisions of the Secretary may be reviewed in accordance with
15 and under the provisions of the Administrative Review Law.
16 Appeals from all final orders and judgments entered by a court
17 in review of any final administrative decision of the
18 Secretary or of any final agency review of a decision of the
19 Secretary may be taken as in other civil cases.

20 Section 175. Collection of compensation. Unless exempt
21 from licensure under this Act, no person engaged in or
22 offering to engage in any act or service for which a license
23 under this Act is required may bring or maintain any action in
24 any court of this State to collect compensation for the

1 performance of the licensable services without alleging and
2 proving that he or she was the holder of a valid consumer legal
3 funding company license under this Act at all times during the
4 performance of those services.

5 Section 180. Cease and desist order.

6 (a) The Secretary may issue a cease and desist order to any
7 licensee or other person doing business without the required
8 license, when in the opinion of the Secretary the licensee or
9 other person is violating or is about to violate any provision
10 of this Act or any rule or requirement imposed in writing by
11 the Department as a condition of granting any authorization
12 permitted by this Act. The cease and desist order permitted by
13 this Section may be issued before a hearing.

14 (b) The Secretary shall serve notice of his or her action,
15 including, but not limited to, a statement of the reasons for
16 the action, either personally or by certified mail. Service by
17 certified mail shall be deemed completed when the notice is
18 deposited in the U.S. Mail.

19 (c) Within 10 days after service of the cease and desist
20 order, the licensee or other person may request a hearing in
21 writing. The Secretary shall schedule a hearing within 90 days
22 after the request for a hearing unless otherwise agreed to by
23 the parties.

24 (d) If it is determined that the Secretary had the
25 authority to issue the cease and desist order, he or she may

1 issue such orders as may be reasonably necessary to correct,
2 eliminate, or remedy the conduct.

3 (e) The powers vested in the Secretary by this Section are
4 in addition to any and all other powers and remedies vested in
5 the Secretary by law, and nothing in this Section shall be
6 construed as requiring that the Secretary shall employ the
7 power conferred in this subsection instead of or as a
8 condition precedent to the exercise of any other power or
9 remedy vested in the Secretary.

10 Section 185. Injunction. The Secretary may, through the
11 Attorney General, maintain an action in the name of the people
12 of the State of Illinois and may apply for an injunction in the
13 circuit court to enjoin a person from violating this Act or
14 engaging in unlicensed consumer legal funding activity.

15 Section 190. Pledge or sale of consumer legal funding.

16 (a) No licensee or other person shall pledge, hypothecate,
17 or sell a consumer legal funding entered into under the
18 provisions of this Act by a consumer except to another
19 licensee under this Act, a bank, savings bank, savings and
20 loan association, or credit union created under the laws of
21 this State or the United States, or to other persons or
22 entities authorized by the Secretary in writing. Sales of such
23 notes by licensees under this Act or other persons shall be
24 made by agreement in writing and shall authorize the Secretary

1 to examine the consumer legal funding documents so
2 hypothecated, pledged, or sold.

3 (b) A consumer may pay the original consumer legal funding
4 company until he or she receives notification of assignment of
5 rights to payment pursuant to a consumer legal funding and
6 that payment is to be made to the assignee. A notification
7 which does not reasonably identify the rights assigned is
8 ineffective. If requested by the consumer, the assignee shall
9 seasonably furnish reasonable proof that the assignment has
10 been made and, unless the assignee does so, the consumer may
11 pay the original consumer legal funding company.

12 (c) An assignee of the rights of the consumer legal
13 funding company is subject to all claims and defenses of the
14 consumer against the consumer legal funding company arising
15 from the consumer legal funding. A claim or defense of a
16 consumer may be asserted against the assignee under this
17 Section only if the consumer has made a good faith attempt to
18 obtain satisfaction from the consumer legal funding company
19 with respect to the claim or defense and then only to the
20 extent of the amount owing to the assignee with respect to the
21 consumer legal funding company claim or defense that arose at
22 the time the assignee has notice of the claim or defense.
23 Notice of the claim or defense may be given before the attempt
24 specified in this subsection. Oral notice is effective unless
25 the assignee requests written confirmation when or promptly
26 after oral notice is given and the consumer fails to give the

1 assignee written confirmation within the period of time, not
2 less than 14 days, stated to the consumer when written
3 confirmation is requested. An agreement may not limit or waive
4 the claims or defenses of a consumer under this Section.

5 Section 195. Penalties. Any person who engages in business
6 as a licensee without the license required by this Act commits
7 a Class 4 felony.

8 Section 200. Civil action. A claim of violation of this
9 Act may be asserted in a civil action. Additionally, a
10 prevailing consumer may be awarded reasonable attorney's fees
11 and court costs.

12 Section 205. Evasion. An agreement, contract, or
13 transaction that is structured to evade the definition of
14 consumer legal funding shall be deemed a consumer legal
15 funding for the purposes of this Act.

16 Section 210. Severability. If any clause, sentence,
17 provision, or part of this Act or its application to any person
18 or circumstance is adjudged to be unconstitutional or invalid
19 for any reason by any court of competent jurisdiction, that
20 judgment shall not impair, affect, or invalidate other
21 provisions or applications of this Act, which shall remain in
22 full force and effect thereafter.

1 Section 905. The Interest Act is amended by changing
2 Section 4 as follows:

3 (815 ILCS 205/4) (from Ch. 17, par. 6404)

4 Sec. 4. General interest rate.

5 (1) Except as otherwise provided in Section 4.05, in all
6 written contracts it shall be lawful for the parties to
7 stipulate or agree that an annual percentage rate of 9%, or any
8 less sum, shall be taken and paid upon every \$100 of money
9 loaned or in any manner due and owing from any person to any
10 other person or corporation in this state, and after that rate
11 for a greater or less sum, or for a longer or shorter time,
12 except as herein provided.

13 The maximum rate of interest that may lawfully be
14 contracted for is determined by the law applicable thereto at
15 the time the contract is made. Any provision in any contract,
16 whether made before or after July 1, 1969, which provides for
17 or purports to authorize, contingent upon a change in the
18 Illinois law after the contract is made, any rate of interest
19 greater than the maximum lawful rate at the time the contract
20 is made, is void.

21 It is lawful for a state bank or a branch of an
22 out-of-state bank, as those terms are defined in Section 2 of
23 the Illinois Banking Act, to receive or to contract to receive
24 and collect interest and charges at any rate or rates agreed

1 upon by the bank or branch and the borrower. It is lawful for a
2 savings bank chartered under the Savings Bank Act or a savings
3 association chartered under the Illinois Savings and Loan Act
4 of 1985 to receive or contract to receive and collect interest
5 and charges at any rate agreed upon by the savings bank or
6 savings association and the borrower.

7 It is lawful to receive or to contract to receive and
8 collect interest and charges as authorized by this Act and as
9 authorized by the Consumer Installment Loan Act, the Payday
10 Loan Reform Act, the Retail Installment Sales Act, the
11 Illinois Financial Services Development Act, ~~or~~ the Motor
12 Vehicle Retail Installment Sales Act, or the Consumer Legal
13 Funding Act. It is lawful to charge, contract for, and receive
14 any rate or amount of interest or compensation, except as
15 otherwise provided in the Predatory Loan Prevention Act, with
16 respect to the following transactions:

17 (a) Any loan made to a corporation;

18 (b) Advances of money, repayable on demand, to an
19 amount not less than \$5,000, which are made upon warehouse
20 receipts, bills of lading, certificates of stock,
21 certificates of deposit, bills of exchange, bonds or other
22 negotiable instruments pledged as collateral security for
23 such repayment, if evidenced by a writing;

24 (c) Any credit transaction between a merchandise
25 wholesaler and retailer; any business loan to a business
26 association or copartnership or to a person owning and

1 operating a business as sole proprietor or to any persons
2 owning and operating a business as joint venturers, joint
3 tenants or tenants in common, or to any limited
4 partnership, or to any trustee owning and operating a
5 business or whose beneficiaries own and operate a
6 business, except that any loan which is secured (1) by an
7 assignment of an individual obligor's salary, wages,
8 commissions or other compensation for services, or (2) by
9 his household furniture or other goods used for his
10 personal, family or household purposes shall be deemed not
11 to be a loan within the meaning of this subsection; and
12 provided further that a loan which otherwise qualifies as
13 a business loan within the meaning of this subsection
14 shall not be deemed as not so qualifying because of the
15 inclusion, with other security consisting of business
16 assets of any such obligor, of real estate occupied by an
17 individual obligor solely as his residence. The term
18 "business" shall be deemed to mean a commercial,
19 agricultural or industrial enterprise which is carried on
20 for the purpose of investment or profit, but shall not be
21 deemed to mean the ownership or maintenance of real estate
22 occupied by an individual obligor solely as his residence;

23 (d) Any loan made in accordance with the provisions of
24 Subchapter I of Chapter 13 of Title 12 of the United States
25 Code, which is designated as "Housing Renovation and
26 Modernization";

1 (e) Any mortgage loan insured or upon which a
2 commitment to insure has been issued under the provisions
3 of the National Housing Act, Chapter 13 of Title 12 of the
4 United States Code;

5 (f) Any mortgage loan guaranteed or upon which a
6 commitment to guaranty has been issued under the
7 provisions of the Veterans' Benefits Act, Subchapter II of
8 Chapter 37 of Title 38 of the United States Code;

9 (g) Interest charged by a broker or dealer registered
10 under the Securities Exchange Act of 1934, as amended, or
11 registered under the Illinois Securities Law of 1953,
12 approved July 13, 1953, as now or hereafter amended, on a
13 debit balance in an account for a customer if such debit
14 balance is payable at will without penalty and is secured
15 by securities as defined in Uniform Commercial
16 Code-Investment Securities;

17 (h) Any loan made by a participating bank as part of
18 any loan guarantee program which provides for loans and
19 for the refinancing of such loans to medical students,
20 interns and residents and which are guaranteed by the
21 American Medical Association Education and Research
22 Foundation;

23 (i) Any loan made, guaranteed, or insured in
24 accordance with the provisions of the Housing Act of 1949,
25 Subchapter III of Chapter 8A of Title 42 of the United
26 States Code and the Consolidated Farm and Rural

1 Development Act, Subchapters I, II, and III of Chapter 50
2 of Title 7 of the United States Code;

3 (j) Any loan by an employee pension benefit plan, as
4 defined in Section 3 (2) of the Employee Retirement Income
5 Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an
6 individual participating in such plan, provided that such
7 loan satisfies the prohibited transaction exemption
8 requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108
9 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d)
10 (1)) of the Employee Retirement Income Security Act of
11 1974;

12 (k) Written contracts, agreements or bonds for deed
13 providing for installment purchase of real estate,
14 including a manufactured home as defined in subdivision
15 (53) of Section 9-102 of the Uniform Commercial Code that
16 is real property as defined in the Conveyance and
17 Encumbrance of Manufactured Homes as Real Property and
18 Severance Act;

19 (l) Loans secured by a mortgage on real estate,
20 including a manufactured home as defined in subdivision
21 (53) of Section 9-102 of the Uniform Commercial Code that
22 is real property as defined in the Conveyance and
23 Encumbrance of Manufactured Homes as Real Property and
24 Severance Act;

25 (m) Loans made by a sole proprietorship, partnership,
26 or corporation to an employee or to a person who has been

1 offered employment by such sole proprietorship,
2 partnership, or corporation made for the sole purpose of
3 transferring an employee or person who has been offered
4 employment to another office maintained and operated by
5 the same sole proprietorship, partnership, or corporation;

6 (n) Loans to or for the benefit of students made by an
7 institution of higher education.

8 (2) Except for loans described in subparagraph (a), (c),
9 (d), (e), (f) or (i) of subsection (1) of this Section, and
10 except to the extent permitted by the applicable statute for
11 loans made pursuant to Section 4a or pursuant to the Consumer
12 Installment Loan Act:

13 (a) Whenever the rate of interest exceeds an annual
14 percentage rate of 8% on any written contract, agreement
15 or bond for deed providing for the installment purchase of
16 residential real estate, or on any loan secured by a
17 mortgage on residential real estate, it shall be unlawful
18 to provide for a prepayment penalty or other charge for
19 prepayment.

20 (b) No agreement, note or other instrument evidencing
21 a loan secured by a mortgage on residential real estate,
22 or written contract, agreement or bond for deed providing
23 for the installment purchase of residential real estate,
24 may provide for any change in the contract rate of
25 interest during the term thereof. However, if the Congress
26 of the United States or any federal agency authorizes any

1 class of lender to enter, within limitations, into
2 mortgage contracts or written contracts, agreements or
3 bonds for deed in which the rate of interest may be changed
4 during the term of the contract, any person, firm,
5 corporation or other entity not otherwise prohibited from
6 entering into mortgage contracts or written contracts,
7 agreements or bonds for deed in Illinois may enter into
8 mortgage contracts or written contracts, agreements or
9 bonds for deed in which the rate of interest may be changed
10 during the term of the contract, within the same
11 limitations.

12 (3) In any contract or loan which is secured by a mortgage,
13 deed of trust, or conveyance in the nature of a mortgage, on
14 residential real estate, the interest which is computed,
15 calculated, charged, or collected pursuant to such contract or
16 loan, or pursuant to any regulation or rule promulgated
17 pursuant to this Act, may not be computed, calculated, charged
18 or collected for any period of time occurring after the date on
19 which the total indebtedness, with the exception of late
20 payment penalties, is paid in full.

21 (4) For purposes of this Section, a prepayment shall mean
22 the payment of the total indebtedness, with the exception of
23 late payment penalties if incurred or charged, on any date
24 before the date specified in the contract or loan agreement on
25 which the total indebtedness shall be paid in full, or before
26 the date on which all payments, if timely made, shall have been

1 made. In the event of a prepayment of the indebtedness which is
2 made on a date after the date on which interest on the
3 indebtedness was last computed, calculated, charged, or
4 collected but before the next date on which interest on the
5 indebtedness was to be calculated, computed, charged, or
6 collected, the lender may calculate, charge and collect
7 interest on the indebtedness for the period which elapsed
8 between the date on which the prepayment is made and the date
9 on which interest on the indebtedness was last computed,
10 calculated, charged or collected at a rate equal to 1/360 of
11 the annual rate for each day which so elapsed, which rate shall
12 be applied to the indebtedness outstanding as of the date of
13 prepayment. The lender shall refund to the borrower any
14 interest charged or collected which exceeds that which the
15 lender may charge or collect pursuant to the preceding
16 sentence. The provisions of this amendatory Act of 1985 shall
17 apply only to contracts or loans entered into on or after the
18 effective date of this amendatory Act, but shall not apply to
19 contracts or loans entered into on or after that date that are
20 subject to Section 4a of this Act, the Consumer Installment
21 Loan Act, the Payday Loan Reform Act, the Predatory Loan
22 Prevention Act, or the Retail Installment Sales Act, or that
23 provide for the refund of precomputed interest on prepayment
24 in the manner provided by such Act.

25 (5) For purposes of items (a) and (c) of subsection (1) of
26 this Section, a rate or amount of interest may be lawfully

1 computed when applying the ratio of the annual interest rate
2 over a year based on 360 days. The provisions of this
3 amendatory Act of the 96th General Assembly are declarative of
4 existing law.

5 (6) For purposes of this Section, "real estate" and "real
6 property" include a manufactured home, as defined in
7 subdivision (53) of Section 9-102 of the Uniform Commercial
8 Code that is real property as defined in the Conveyance and
9 Encumbrance of Manufactured Homes as Real Property and
10 Severance Act.

11 (Source: P.A. 101-658, eff. 3-23-21.)

12 Section 910. The Consumer Fraud and Deceptive Business
13 Practices Act is amended by adding Section 2AAAA as follows:

14 (815 ILCS 505/2AAAA new)

15 Sec. 2AAAA. Violations of the Consumer Legal Funding Act.
16 Any person who violates the Consumer Legal Funding Act commits
17 an unlawful practice within the meaning of this Act.

18 Section 999. Effective date. This Act takes effect upon
19 becoming law.